



Date: April 26, 2012

To: Thomas Bonfield, City Manager

From: Germaine Brewington, Director of Audit Services

Subject: Transmittal of Solid Waste Scale House Operations Performance Audit (April 2012)

Executive Summary

The Audit Services Department completed the report for the Solid Waste Scale House Operations Performance Audit dated April 2012. The purpose of the audit was to determine the adequacy of controls over the City's Scale House operations including cash receipts, billing, and collections of delinquent accounts for tipping fees.

Background

The mission of the Solid Waste Management Department is to manage, in a manner that is environmentally sound, cost-effective, and safe: municipal solid waste, household hazardous waste, recyclables, and disposal services.

The department operates two drop-off facilities, which are open to all City of Durham and Durham County residents, as well as citizens and commercial customers from other counties. There are eleven different items accepted at the scale house and the price structure differentiates fees for the various types of waste.

The Scale House uses WasteWORKS – a waste management system to capture and process transactions. This system interfaces with the MUNIS system, which bills the customers. The revenues collected from municipal solid waste and yard waste at the Scale House are classified as tipping fees in the general ledger. Tipping fees revenues in fiscal year 2011 were approximately \$6,396,032. Revenues in fiscal year 2012 are budgeted at approximately \$6,662,300. Approximately 15% of the revenues in fiscal year 2011 were cash collections.

Issues and Analysis

The attached report details the objectives, observations, and results of the Solid Waste Scale House Operations Performance Audit dated April 2012.

Recommendation

The Department of Audit Services recommends the City Council receive and accept the Solid Waste Scale House Operations Performance Audit dated April 2012 as presented and approved at the April 23, 2012 Audit Services Oversight Committee meeting.

Attachment